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Thresholds' Recommendations for Illinois' 1115 Waiver Application

Thresholds very much appreciates the opportunity to provide recommendations for inclusion in the state's 1115 waiver application. Given the long-standing challenges persons living with mental illnesses face in Illinois in accessing community mental health treatment services, we are excited the state is pursuing additional federal Medicaid dollars to cover services not typically Medicaid matchable but that are essential to stabilizing this population and helping them move through their journey of recovery and wellness. Following are our recommendations.

I. Home and Community-Based Infrastructure, Coordination and Choice

For many individuals living with a serious mental illness (SMI), the current set of Medicaid services alone are insufficient to stabilize the person's life and put them on an upward health trajectory that leads to improved health outcomes and reduced churning in and out of hospitals and nursing homes, and therefore reduced costs. Stable, affordable housing and supportive housing services are essential for the segment of this population who experience chronic homelessness, due in part to their untreated serious mental illness, and who are often institutionalized, not because they need this level of care, but because once hospitalized, hospitals are reluctant to discharge them back into homelessness.

1. Recommendation: Creation of a Delivery System Reform Incentive Program (DSRIP) Bonus Pool for Community Mental Health Providers to Cover Affordable Rent for Homeless or Unstably Housed Individuals Living with SMI Prior to Approval of a SOAR SSI Application

According to data provided by the Illinois Department of Human Services, Division of Mental Health, fully 80 percent of individuals repeatedly hospitalized for an untreated serious mental illness who are screened for the next level of care in a Level II PAS screen are referred to nursing homes – not because they need this level of care but because there are not enough community mental health treatment services available to them **and** they are homeless or unstably housed. This translates to approximately 3,200 individuals with SMI inappropriately going into institutional care **annually**, where they stay for years, if not life. This is extraordinarily costly to the Medicaid program. The average annual cost for custodial care in a nursing home in Illinois is \$31,400, as compared to a cost of \$10,243 for a full year of Assertive Community

Treatment, an evidence-based practice and the most intensive community-based intervention for individuals with SMI proven to reduce hospitalizations and institutionalizations.

In addition, there are approximately 4,500 individuals statewide who are homeless *because of* their SMI and approximately 2,000 individuals with SMI in the Cook County Jail soon to be discharged, most of whom will not have housing upon release. This population will continue to cycle through hospitals and nursing homes until there are sufficient community mental health treatment services **and** affordable housing available for them – a person cannot stabilize SMI while living on the streets.

Nearly all of these individuals will be Medicaid-covered under the Medicaid expansion. However, coverage alone will not enable this population to manage their serious mental illness and stay of hospitals and nursing homes. Affordable housing will be a critical precursor.

To enable housing through an 1115 waiver, we recommend the creation of a DSRIP bonus pool specifically for community mental and behavioral health providers. Following are the critical elements that must be included in the DSRIP.

1. **Monthly/Quarterly Bonus Payments Tied to Achieving Mental/Behavioral Health and Health Outcomes to Community Providers to Cover Non-Medicaid Services that are Essential to Illness Stabilization and Wellness.** The bonus payments must flow to community-based providers participating in managed care entities as well as in fee for service.
2. **Embed Bridge Dollars for Housing (6 Months) in Monthly/Quarterly Provider Bonus Payments for Medicaid Enrollees with High-Medicaid Costs Meeting Specific Criteria.** Social Security Income (SSI) is the critical income source that allows individuals living with SMI who are also homeless or unstably housed and struggling in poverty to pay for housing. However, an SSI application can take up to two years to be approved. With a SOAR application (SSI Outreach, Access and Recovery), SSI typically is approved within six months. A portion of the bonus payment must be able to cover the cost of housing/rent until SSI is obtained (approximately \$500/mo. for six mos.). The criteria for individuals who are eligible to receive these dollars to pay for housing until SSI is obtained should be limited to the homeless or unstably housed who have had at least two hospitalizations within a year and have a serious mental illness (*i.e.*, high-cost Medicaid enrollees who are churning through the hospital and are likely to end up being placed in a nursing home inappropriately).

3. **Medicaid Dollars for Doing SOAR SSI Applications.** The state currently funds providers to do a limited number of SOAR SSI applications (and providers subsidize a good portion of the cost). Federal Medicaid dollars are essential to enabling providers to do significant number of SOAR applications for those who are appropriate candidates. This will be particularly important for the new Medicaid population with SMI. Federal CMS should see this as a benefit because once the person receives a disability determination, they will move to traditional Medicaid, 50 percent of which is financed by the state. Securing federal dollars to allow community providers to do SOAR SSI applications **must be an essential component of the DSRIP** if a portion of the bonus payments are to cover housing until the individual can obtain SSI (without a SOAR application, SSI can take upwards of two years to be approved).
4. **The Bonus Pool Must Be Available for Retroactive Payments to Cover Housing.**
5. **Ability to do Small Demonstrations if CMS does Not Approve Housing Dollars in the DSRIP Statewide.** If CMS does not want to fund a DSRIP statewide that includes dollars for housing until SSI is obtained, we recommend that the state request the ability to do pilots in regions across the state that contain the highest-cost SMI population that is homelessness or unstably housed and end up being inappropriately placed in nursing homes as a result.

2. Recommendation: Include Supportive Housing Services in the 1115 Waiver

Supportive housing services are the support services that enable formerly homeless individuals or nursing home residents with high mental health and medical needs to stabilize their lives and their health. Without supportive housing, many of these individuals will continue to cycle in and out of emergency rooms, have multiple psychiatric or medical inpatient stays and long-term institutional placements. For these reasons, we strongly support the inclusion of supportive housing services in the state's waiver application.

3. Recommendation: Include Children with Significant Mental or Behavioral Health Needs in the State's Katie Beckett Waiver through the 1115 Waiver

The state's existing Katie Beckett waiver is limited to Medically Fragile, Technology-Dependent children. Many children with serious mental illnesses or emotional disturbances are not able to get the mental health services they need because their parents do not qualify for Medicaid and they have private insurance. Private coverage, however, often does not cover the services needed (intensive community mental health treatment or residential care). Parents who cannot get this care for their child often turn to the child welfare

system (relinquishing custody) because wards of the state are entitled to treatment. It is unconscionable any parent would be forced to relinquish custody of a child solely to get needed mental health care. This is happening more and more in Illinois. In addition, children that do not get services when they need them end up in the adult mental health system for years, and are repeatedly hospitalized for psychiatric crises. Intensive community-based mental health services as well as time-limited residential treatment with a focus on family-directed care and family reunification should be included in the state's Katie Becket waiver through the 1115 waiver application. A number of states have done Katie Beckett waivers for children with significant mental and behavioral health needs – Maine, Wisconsin, Tennessee and Georgia, to name a few.

4. Recommendation: Other Non-Medicaid Services that Should be Included in the Waiver

We recommend including outreach and engagement services in the waiver application. Many individuals with SMI are reluctant to get services *because of* their illness. Outreach and engagement will be critical to the new Medicaid population with SMI who have been outside of any system of care to get them to accept the sustained recovery services that enable them to manage their mental illness. Without this, many people with SMI will not accept services and will continue to cycle through the hospital when their symptoms are exacerbated.

We also recommend the state include supported employment services in the waiver. Studies show that enabling work allows them to be productive, which also fosters recovery, which in turn results in the use of fewer health care services as a result.

II. Workforce Development

We recommend including workforce development dollars in the DSRIP bonus payments to providers for provider-sponsored student loan repayment assistance programs, and training and retaining frontline workers. Training and retaining frontline workers like social workers, qualified mental health professionals, case managers and others will be essential as the Medicaid expansion population is enrolled.

Sincerely,



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